**INSPECTION REPORT**

Partial XXX Complete ___ Exploration ___
Inspection Date: 05/16/2003 / Time: 9:15 AM-2:30 PM
Inspection Date: 05/29/2003 / Time: 1:55 PM-2:30 PM
Date of Last Inspection: 04/02/2003

Mine Name: SUFCO Mine County: Sevier Permit Number: **C/041/002**
Permittee and/or Operator's Name: Canyon Fuel Company, LLC.
Business Address: 397 South 800 West, Salina, Utah 84564
Company Official(s): Mike Davis
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: Some clouds / Temperature 80's –90's Fahrenheit
Type of Mining Activity: Underground XXX Surface ___ Prep Plant ___ Other ___
Existing Acreage: Permitted 24632.95 Disturbed 27.364 Regraded ___ Seeded ___
Status: Active

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
   a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
   b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

| | | EVALUATED | N/A | COMMENTS | NOV/ENF |
|---|---|---|---|---|---|
| 1. | PERMITS, CHANGE, TRANSFER, RENEWAL, SALE | [ ] | [ ] | [ ] | [ ] |
| 2. | SIGNS AND MARKERS | [X] | [ ] | [X] | [ ] |
| 3. | TOPSOIL | [X] | [ ] | [X] | [ ] |
| 4. | HYDROLOGIC BALANCE: | | | | |
| a. | DIVERSIONS | [X] | [ ] | [X] | [ ] |
| b. | SEDIMENT PONDS AND IMPOUNDMENTS | [ ] | [ ] | [ ] | [ ] |
| c. | OTHER SEDIMENT CONTROL MEASURES | [X] | [ ] | [X] | [ ] |
| d. | WATER MONITORING | [X] | [ ] | [X] | [ ] |
| e. | EFFLUENT LIMITATIONS | [ ] | [ ] | [ ] | [ ] |
| 5. | EXPLOSIVES | [ ] | [ ] | [ ] | [ ] |
| 6. | DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | [ ] | [ ] | [ ] | [ ] |
| 7. | COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | [ ] | [ ] | [ ] | [ ] |
| 8. | NONCOAL WASTE | [X] | [ ] | [ ] | [ ] |
| 9. | PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES | [X] | [ ] | [X] | [ ] |
| 10. | SLIDES AND OTHER DAMAGE | [ ] | [X] | [ ] | [ ] |
| 11. | CONTEMPORANEOUS RECLAMATION | [ ] | [ ] | [ ] | [ ] |
| 12. | BACKFILLING AND GRADING | [ ] | [ ] | [ ] | [ ] |
| 13. | REVEGETATION | [X] | [ ] | [ ] | [ ] |
| 14. | SUBSIDENCE CONTROL | [ ] | [ ] | [ ] | [ ] |
| 15. | CESSATION OF OPERATIONS | [ ] | [ ] | [ ] | [ ] |
| 16. | ROADS: | | | | |
| a. | CONSTRUCTION/MAINTENANCE/SURFACING | [ ] | [ ] | [ ] | [ ] |
| b. | DRAINAGE CONTROLS | [X] | [ ] | [X] | [ ] |
| 17. | OTHER TRANSPORTATION FACILITIES | [ ] | [ ] | [ ] | [ ] |
| 18. | SUPPORT FACILITIES/UTILITY INSTALLATIONS | [X] | [ ] | [ ] | [ ] |
| 19. | AVS CHECK (4th Quarter- April, May, June) | [ ] | [ ] | [ ] | [ ] |
| 20. | AIR QUALITY PERMIT | [ ] | [ ] | [ ] | [ ] |
| 21. | BONDING & INSURANCE | [ ] | [ ] | [ ] | [ ] |

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

**Note:**

There are four areas of disturbance relative to the Link Canyon area, which was inspected on May 29, 2003. The four include: 1) the reclaimed area, [which was to be the initial substation location], 2) the current substation location, 3) the portal breakout re-established in the west entry of the old Link Canyon Mine, and 4) the power pole locations connecting the established electrical substation with the portal access.

At the present time, the permittee is developing a three-entry section to connect the Pines East Mains of the SUFCO underground works with the Link Canyon Portal. At what point the permittee will intercept the old Link Canyon Mine is unknown, as same will depend upon coal quality and roof conditions as the development approaches the burn area of the outcrop. Upon intercepting the old mine, the permittee will have to rehabilitate several of the entries and crosscuts in order to meet MSHA requirements. It is at that point that the electrical access can be completed to allow the mine to produce more efficiently.

**2. SIGNS AND MARKERS**

The reclaim area, the new substation, and the Link portal area all have permittee identification signs, which are adequate. All areas are well delineated with disturbed area perimeter markers.

**3. TOPSOIL**

There are two topsoil piles associated with the Link Canyon area. The first pile lies at the south end of the electrical substation disturbed area; the second pile lies within the portal breakout area. Both piles have three strand barbwire fences around them to protect the vegetation upon its development. Topsoil storage area signs are in place. The storage pile at the portal area has vegetation material on it to reduce raindrop impact; vegetation here has yet to establish itself. The topsoil pile at the substation has developed some grass where moisture retention is possible, (i.e., in the hollow between the pile and the retention berm). Neither of the piles was roughened to enhance moisture retention; new growth was not observed on either pile this day.

**4A. HYDROLOGIC BALANCE: DIVERSIONS**

The permittee should consider installing a trash rack of some sort up stream of the inlet to the dual 36-inch corrugated metal pipes at the Link portal area.

**4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES**

The reclaimed area previously mentioned used surface roughening and rock cover as well as silt fences to control runoff. This area has revegetated nicely.

Other means of sediment control that have been implemented at the electrical substation and the portal area include different sizes of gravel, berms, and straw bales, in addition to silt fences. All silt fences appeared to be capable of functioning as designed; all berms appeared capable of directing any water intercepting them.

The permittee has committed to applying more gravel to the access road at the portal breakout, once access to same can be provided from the underground workings.

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## 4D. HYDROLOGIC BALANCE: WATER MONITORING

There was no flow observed in the Link Canyon drainage this day.

There was no flow reporting from the Link Canyon portal area to the riparian area below the dual 36-inch undisturbed bypass culverts.

## 9. PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES

On May 16, 2003, the stock ponds that are associated with the Wildcat Knolls area of the permit were inspected relative to their status for the containment of water. Ms. Susan White and Mr. Justin Eatchel (summer student) were in attendance to evaluate the area relative to surface impacts due to subsidence. Of the seven ponds that were inspected, only Box Pond, Hanson's Pond, and Big Ridge Pond contained water. Johnson's Pond, Slab Pond, Rock Pond, and Verdas pond were the other ponds evaluated.

A new impact was observed at Rock Pond, same being a small sinkhole. What caused the opening to occur is now known, but the major axis of the hole is parallel with the numerous subsidence cracks that can be seen here. Rock Pond was undermined several years ago, and many of the old cracks have self-healed, although many are still visible. The Castle Gate sandstone is exposed at the surface here as well as in other locations. Mr. Davis agreed to backfill and compact the sinkhole.

## 16B. ROADS: DRAINAGE CONTROLS

The water bars used to divert runoff to the outslope of the road along the USFS access road in Link Canyon appeared to be capable of functioning as designed.

/S/

Inspector's Signature: _____ Date: May 30, 2003

Peter Hess #46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM
Ken May, Canyon Fuel
Price Field office
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